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SENATE BILL 578

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Carlos R. Cisneros

AN ACT

RELATING TO TAXATION; AUTHORIZING A LOCAL OPTION HOSPITALITY
TAX ON ALCOHOLIC BEVERAGES SERVED AND CONSUMED ON LICENSED
PREMISES IN CERTAIN MUNICIPALITIES IN RURAL COMMUNITIES;
DEDICATING THE REVENUE TO LOCALLY DEFINED ECONOMIC DEVELOPMENT
PROJECTS; AUTHORIZING REVENUE BONDING; MAKING A DISTRIBUTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. ~~[NEW MATERIAL]~~ SHORT TITLE.--Sections 1
through 10 of this act may be cited as the "Local Option
Hospitality Liquor Excise Tax Act".

Section 2. ~~[NEW MATERIAL]~~ DEFINITIONS.--As used in the
Local Option Hospitality Liquor Excise Tax Act:

A. "department" means the taxation and revenue
department;

B. "drink" means a serving of alcoholic beverages

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1 in which the seal on the container is broken and the contents
2 are served or in an open container, a glass or other drinking
3 vessel on licensed premises to sell alcoholic beverages by the
4 drink or in open bottles or containers for consumption on the
5 premises;

6 C. "drinking vessel" means any object that will
7 hold liquid from which a person can drink;

8 D. "economic development project" means public
9 infrastructure or public facilities that require significant
10 capital outlay expenditures to plan, design, construct, equip
11 or furnish or a continuous revenue source to operate, market or
12 maintain, identified by the governing body as the project for
13 which at least fifty percent of the net revenue from the
14 hospitality liquor excise tax is to be used;

15 E. "governing body" means the governing council or
16 commission of a municipality;

17 F. "licensed premises" means the premises
18 identified in a Liquor Control Act permit or license
19 application submitted by a licensee on which that licensee is
20 allowed by the alcohol and gaming division of the regulation
21 and licensing department to sell or serve alcoholic beverages;

22 G. "licensee" means a person licensed pursuant to
23 the Liquor Control Act;

24 H. "municipality" means an incorporated
25 municipality with a population of less than fifteen thousand

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1 people according to the 2000 federal decennial census or any
2 federal decennial census completed after that year; and

3 I. "open container" means a bottle, container or
4 other form of drinking vessel sold as a unit or from which
5 alcoholic beverages may be served, on which the seal is broken
6 to enable the alcoholic beverage within to be consumed.

7 Section 3. [NEW MATERIAL] AUTHORIZATION TO IMPOSE LOCAL
8 OPTION HOSPITALITY LIQUOR EXCISE TAX--LOCAL OPTION ELECTION.--

9 A. The majority of the members elected to the
10 governing body of a municipality may enact an ordinance
11 imposing on a licensee who sells or serves alcoholic beverages
12 pursuant to the Liquor Control Act for consumption on that
13 licensee's licensed premises a local option excise tax on each
14 drink or open container of alcoholic beverage sold or served
15 for consumption on the licensee's licensed premises. The local
16 option hospitality liquor excise tax is imposed and shall be
17 paid in addition to all other taxes imposed on the
18 distribution, sale or service of that drink or open container.

19 The tax authorized to be imposed by this section may be
20 referred to as the "hospitality liquor excise tax". The tax
21 may be imposed at a rate of two percent of the retail cost of
22 the drink or open container sold or served to a consumer.
23 Samples of alcoholic beverages that are permitted as part of a
24 license that has tasting or sampling privileges, that are
25 promotional and for which no charge is permitted by law are not

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1 subject to the hospitality liquor excise tax.

2 B. The governing body at the time of enacting an
3 ordinance imposing the hospitality liquor excise tax shall
4 dedicate fifty percent of the money distributed to the
5 municipality imposing the tax by the department from the net
6 revenue of the tax to fund specific economic development
7 projects within the municipality and for no other purpose. The
8 remaining fifty percent may be used for public transportation,
9 administration of the tax revenue and economic development
10 projects, tourism marketing or repayment of debt, debt service
11 or the costs of issuing bonds for the economic development
12 projects and repayment of bonds for the economic development
13 projects approved.

14 C. The governing body enacting an ordinance
15 imposing the hospitality liquor excise tax shall submit the
16 question of imposing the tax, including a statement identifying
17 the economic development projects that will be funded by the
18 tax to the qualified voters of the municipality at a regular or
19 special municipal election.

20 D. Only those voters who are registered within the
21 municipality shall be permitted to vote. The election shall be
22 called, conducted and canvassed in substantially the same
23 manner as provided by law for municipal elections.

24 E. If at an election called pursuant to this
25 section a majority of the voters voting on the question to

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1 impose a hospitality liquor excise tax to fund the identified
2 economic development projects vote in the affirmative on the
3 question, then the ordinance imposing the hospitality liquor
4 excise tax shall be approved. If at the election a majority of
5 the voters voting on the question fail to approve the question,
6 then the ordinance shall be disapproved and a question
7 submitted pursuant to this section shall not be submitted to
8 the voters for a period of at least one year from the date of
9 the election.

10 F. An ordinance enacted under the provisions of
11 this section that imposes a hospitality liquor excise tax shall
12 include an effective date that is the first day of a month that
13 begins no earlier than ninety days after the date of the
14 election. A certified copy of an ordinance imposing a
15 hospitality liquor excise tax shall be mailed or personally
16 delivered to the department within five days after the
17 ordinance is certified to have been approved by the voters.

18 G. An ordinance repealing the imposition of a
19 hospitality liquor excise tax imposed pursuant to the
20 provisions of this section shall contain an effective date that
21 is the first day of any month beginning no earlier than sixty
22 days from the date the ordinance repealing the tax is adopted
23 by the governing body. A certified copy of an ordinance
24 repealing a hospitality liquor excise tax shall be mailed or
25 personally delivered to the department within five days of the

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1 date the ordinance is adopted.

2 H. The economic development project funded by the
3 hospitality liquor excise tax revenues may be changed only by a
4 subsequent election. Should the subsequent election fail, the
5 hospitality liquor excise tax shall be rescinded. A rescinded
6 hospitality liquor excise tax may be re-enacted by a vote of
7 the voters of the municipality.

8 Section 4. [NEW MATERIAL] ECONOMIC DEVELOPMENT PROJECTS--
9 ELIGIBLE USES OF HOSPITALITY LIQUOR EXCISE TAX REVENUES.--

10 A. A minimum of fifty percent of the net revenue
11 from the hospitality liquor excise tax shall fund the economic
12 development projects identified by the governing body and
13 submitted to the voters as part of the question that the voters
14 approved.

15 B. A minimum of ten percent of the net revenue from
16 the hospitality liquor excise tax shall be used to fund public
17 transportation.

18 C. No more than twenty percent of the net revenue
19 from the hospitality liquor excise tax may be used for tourism
20 marketing.

21 D. Up to five percent of the net revenue from the
22 hospitality liquor excise tax may be used to provide staff to
23 the special authority board and to administer the hospitality
24 liquor excise tax funds.

25 E. A municipality may pledge irrevocably up to
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1 seventy-five percent of the projected net revenue from the
2 hospitality liquor excise tax to the payment of costs of
3 issuing, payment of principal and interest of hospitality
4 liquor excise tax revenue bonds or refunding bonds pursuant to
5 Chapter 3, Article 31 NMSA 1978 or through other bonding
6 mechanisms for which revenue from the hospitality liquor excise
7 tax may be pledged to payment of the principal and interest to
8 discharge the bonds. Forms of indebtedness shall include
9 hospitality liquor excise tax bonds or other bonds repayable
10 with the revenues of the hospitality liquor excise tax, loans
11 or other financial mechanisms generally available to
12 municipalities to complete capital improvement projects.

13 Section 5. [NEW MATERIAL] SPECIAL AUTHORITY BOARD.--

14 A. Upon approval of a hospitality liquor excise
15 tax, the municipality imposing the tax may appoint a special
16 authority board composed of an odd number of no less than seven
17 members and no greater than eleven members that shall direct
18 the expenditure of the hospitality liquor excise tax revenues.

19 B. The municipality shall appoint a staff member or
20 members to provide support to the special authority board.

21 C. The special authority board shall determine
22 annually at a public hearing the expenditure of the projected
23 hospitality liquor excise tax revenues in accordance with the
24 limitations set forth above and excluding those funds dedicated
25 to capital debt service and administration costs.

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1 D. The municipality shall by resolution set rules
2 by which the special authority board shall conduct business.

3 E. The special authority board shall comply with
4 the Open Meetings Act.

5 Section 6. [NEW MATERIAL] COLLECTION OF REVENUES.--

6 A. A municipality that imposes a hospitality liquor
7 excise tax shall provide no more than five hundred dollars
8 (\$500) from the net tax revenue in assistance per liquor
9 licensee that is subject to the hospitality liquor excise tax
10 for the actual costs to upgrade and reprogram registers as
11 needed for the collection of the tax.

12 B. Hospitality liquor excise tax revenues shall be
13 collected at the point of sale and shall be remitted to the
14 department pursuant to the Local Option Hospitality Liquor
15 Excise Tax Act.

16 C. The department may retain and is appropriated up
17 to three percent of the hospitality liquor excise tax revenues
18 to use for administrative costs.

19 D. The department shall disburse the hospitality
20 liquor excise tax revenues to the municipality imposing the
21 hospitality liquor excise tax on the same schedule as the
22 disbursement of local gross receipts taxes.

23 Section 7. [NEW MATERIAL] DATE PAYMENT DUE.--The
24 hospitality liquor excise tax imposed by a municipality shall
25 be remitted to the department on or before the twenty-fifth day

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1 of the month following the month in which the taxable event
2 occurs.

3 Section 8. [NEW MATERIAL] EXEMPTION.--Exempted from the
4 hospitality liquor excise tax is the sale of alcoholic
5 beverages by an instrumentality of the armed forces of the
6 United States engaged in alcoholic beverage resale activities.

7 Section 9. [NEW MATERIAL] ADMINISTRATIVE CHARGE.--The
8 department may deduct an amount not to exceed three percent of
9 the net revenue of a hospitality liquor excise tax remitted as
10 a charge for the administration of the tax.

11 Section 10. [NEW MATERIAL] INTERPRETATION OF ACT--
12 ADMINISTRATION AND ENFORCEMENT.--

13 A. The department shall interpret the provisions of
14 the Local Option Hospitality Liquor Excise Tax Act.

15 B. The department shall administer and enforce the
16 Local Option Hospitality Liquor Excise Tax Act pursuant to the
17 Tax Administration Act.

18 Section 11. Section 3-31-1 NMSA 1978 (being Laws 1973,
19 Chapter 395, Section 3, as amended) is amended to read:

20 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
21 REVENUES--LIMITATION ON TIME OF ISSUANCE.--In addition to any
22 other law and constitutional home rule powers authorizing a
23 municipality to issue revenue bonds, a municipality may issue
24 revenue bonds pursuant to Chapter 3, Article 31 NMSA 1978 for
25 the purposes specified in this section. The term "pledged

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1 revenues", as used in Chapter 3, Article 31 NMSA 1978, means
2 the revenues, net income or net revenues authorized to be
3 pledged to the payment of particular revenue bonds as
4 specifically provided in Subsections A through [J] K of this
5 section.

6 A. Utility revenue bonds may be issued for
7 acquiring, extending, enlarging, bettering, repairing or
8 otherwise improving a municipal utility or for any combination
9 of the foregoing purposes. The municipality may pledge
10 irrevocably any or all of the net revenues from the operation
11 of the municipal utility or of any one or more of other such
12 municipal utilities for payment of the interest on and
13 principal of the revenue bonds. These bonds are sometimes
14 referred to in Chapter 3, Article 31 NMSA 1978 as "utility
15 revenue bonds" or "utility bonds".

16 B. Joint utility revenue bonds may be issued for
17 acquiring, extending, enlarging, bettering, repairing or
18 otherwise improving joint water facilities, sewer facilities,
19 gas facilities or electric facilities or for any combination of
20 the foregoing purposes. The municipality may pledge
21 irrevocably any or all of the net revenues from the operation
22 of these municipal utilities for the payment of the interest on
23 and principal of the bonds. These bonds are sometimes referred
24 to in Chapter 3, Article 31 NMSA 1978 as "joint utility revenue
25 bonds" or "joint utility bonds".

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1 C. For the purposes of this subsection, "gross
2 receipts tax revenue bonds" means gross receipts tax revenue
3 bonds or sales tax revenue bonds. Gross receipts tax revenue
4 bonds may be issued for any one or more of the following
5 purposes:

6 (1) constructing, purchasing, furnishing,
7 equipping, rehabilitating, making additions to or making
8 improvements to one or more public buildings or purchasing or
9 improving any ground relating thereto, including but not
10 necessarily limited to acquiring and improving parking lots, or
11 any combination of the foregoing;

12 (2) acquiring or improving municipal or public
13 parking lots, structures or facilities or any combination of
14 the foregoing;

15 (3) purchasing, acquiring or rehabilitating
16 firefighting equipment or any combination of the foregoing;

17 (4) acquiring, extending, enlarging,
18 bettering, repairing, improving or maintaining storm sewers and
19 other drainage improvements, sanitary sewers, sewage treatment
20 plants or water utilities, including but not necessarily
21 limited to the acquisition of rights of way and water and water
22 rights, or any combination of the foregoing;

23 (5) reconstructing, resurfacing, maintaining,
24 repairing or otherwise improving existing alleys, streets,
25 roads or bridges or any combination of the foregoing or laying

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1 off, opening, constructing or otherwise acquiring new alleys,
2 streets, roads or bridges or any combination of the foregoing;
3 provided that any of the foregoing improvements may include but
4 are not limited to the acquisition of rights of way;

5 (6) purchasing, acquiring, constructing,
6 making additions to, enlarging, bettering, extending or
7 equipping airport facilities or any combination of the
8 foregoing, including without limitation the acquisition of
9 land, easements or rights of way therefor;

10 (7) purchasing or otherwise acquiring or
11 clearing land or for purchasing, otherwise acquiring and
12 beautifying land for open space;

13 (8) acquiring, constructing, purchasing,
14 equipping, furnishing, making additions to, renovating,
15 rehabilitating, beautifying or otherwise improving public
16 parks, public recreational buildings or other public
17 recreational facilities or any combination of the foregoing;

18 (9) acquiring, constructing, extending,
19 enlarging, bettering, repairing, otherwise improving or
20 maintaining solid waste disposal equipment, equipment for
21 operation and maintenance of sanitary landfills, sanitary
22 landfills, solid waste facilities or any combination of the
23 foregoing; and

24 (10) acquiring, constructing, extending,
25 bettering, repairing or otherwise improving a public transit

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1 system or regional transit systems or facilities.

2 The municipality may pledge irrevocably any or all of the
3 gross receipts tax revenue received by the municipality
4 pursuant to Section 7-1-6.4 or 7-1-6.12 NMSA 1978 to the
5 payment of the interest on and principal of the gross receipts
6 tax revenue bonds for any of the purposes authorized in this
7 section or for specific purposes or for any area of municipal
8 government services, including but not limited to those
9 specified in Subsection C of Section 7-19D-9 NMSA 1978, or for
10 public purposes authorized by municipalities having
11 constitutional home rule charters. A law that imposes or
12 authorizes the imposition of a municipal gross receipts tax or
13 that affects the municipal gross receipts tax, or a law
14 supplemental thereto or otherwise appertaining thereto, shall
15 not be repealed or amended or otherwise directly or indirectly
16 modified in such a manner as to impair adversely any
17 outstanding revenue bonds that may be secured by a pledge of
18 such municipal gross receipts tax unless the outstanding
19 revenue bonds have been discharged in full or provision has
20 been fully made therefor.

21 Revenues in excess of the annual principal and interest
22 due on gross receipts tax revenue bonds secured by a pledge of
23 gross receipts tax revenue may be accumulated in a debt service
24 reserve account. The governing body of the municipality may
25 appoint a commercial bank trust department to act as trustee of

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1 the gross receipts tax revenue and to administer the payment of
2 principal of and interest on the bonds.

3 D. As used in this section, the term "public
4 building" includes but is not limited to fire stations, police
5 buildings, municipal jails, regional jails or juvenile
6 detention facilities, libraries, museums, auditoriums,
7 convention halls, hospitals, buildings for administrative
8 offices, city halls and garages for housing, repairing and
9 maintaining city vehicles and equipment. As used in Chapter 3,
10 Article 31 NMSA 1978, the term "gross receipts tax revenue
11 bonds" means the bonds authorized in Subsection C of this
12 section, and the term "gross receipts tax revenue" means the
13 amount of money distributed to the municipality as authorized
14 by Section 7-1-6.4 NMSA 1978 or the amount of money transferred
15 to the municipality as authorized by Section 7-1-6.12 NMSA 1978
16 for any municipal gross receipts tax imposed pursuant to the
17 Municipal Local Option Gross Receipts Taxes Act. As used in
18 Chapter 3, Article 31 NMSA 1978, the term "bond" means any
19 obligation of a municipality issued under Chapter 3, Article 31
20 NMSA 1978, whether designated as a bond, note, loan, warrant,
21 debenture, lease-purchase agreement or other instrument
22 evidencing an obligation of a municipality to make payments.

23 E. Gasoline tax revenue bonds may be issued for
24 laying off, opening, constructing, reconstructing, resurfacing,
25 maintaining, acquiring rights of way, repairing and otherwise

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1 improving municipal buildings, alleys, streets, public roads
2 and bridges or any combination of the foregoing purposes. The
3 municipality may pledge irrevocably any or all of the gasoline
4 tax revenue received by the municipality to the payment of the
5 interest on and principal of the gasoline tax revenue bonds.
6 As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax
7 revenue bonds" means the bonds authorized in this subsection,
8 and "gasoline tax revenue" means all or portions of the amounts
9 of tax revenues distributed to municipalities pursuant to
10 Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time
11 amended and supplemented.

12 F. Project revenue bonds may be issued for
13 acquiring, extending, enlarging, bettering, repairing,
14 improving, constructing, purchasing, furnishing, equipping and
15 rehabilitating any revenue-producing project, including, where
16 applicable, purchasing, otherwise acquiring or improving the
17 ground therefor, including but not necessarily limited to
18 acquiring and improving parking lots, or for any combination of
19 the foregoing purposes. The municipality may pledge
20 irrevocably any or all of the net revenues from the operation
21 of the revenue-producing project for which the particular
22 project revenue bonds are issued to the payment of the interest
23 on and principal of the project revenue bonds. The net
24 revenues of any revenue-producing project may not be pledged to
25 the project revenue bonds issued for a revenue-producing

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1 project that clearly is unrelated in nature; but nothing in
2 this subsection shall prevent the pledge to such project
3 revenue bonds of any revenues received from existing, future or
4 disconnected facilities and equipment that are related to and
5 that may constitute a part of the particular revenue-producing
6 project. A general determination by the governing body that
7 any facilities or equipment is reasonably related to and
8 constitutes a part of a specified revenue-producing project
9 shall be conclusive if set forth in the proceedings authorizing
10 the project revenue bonds. As used in Chapter 3, Article 31
11 NMSA 1978:

12 (1) "project revenue bonds" means the bonds
13 authorized in this subsection; and

14 (2) "project revenues" means the net revenues
15 of revenue-producing projects that may be pledged to project
16 revenue bonds pursuant to this subsection.

17 G. Fire district revenue bonds may be issued for
18 acquiring, extending, enlarging, bettering, repairing,
19 improving, constructing, purchasing, furnishing, equipping and
20 rehabilitating any fire district project, including where
21 applicable purchasing, otherwise acquiring or improving the
22 ground therefor, or for any combination of the foregoing
23 purposes. The municipality may pledge irrevocably any or all
24 of the revenues received by the fire district from the fire
25 protection fund as provided in the Fire Protection Fund Law and

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1 any or all of the revenues provided for the operation of the
2 fire district project for which the particular bonds are issued
3 to the payment of the interest on and principal of the bonds.
4 The revenues of any fire district project shall not be pledged
5 to the bonds issued for a fire district project that clearly is
6 unrelated in its purpose; but nothing in this section prevents
7 the pledge to such bonds of any revenues received from
8 existing, future or disconnected facilities and equipment that
9 are related to and that may constitute a part of the particular
10 fire district project. A general determination by the
11 governing body of the municipality that any facilities or
12 equipment is reasonably related to and constitutes a part of a
13 specified fire district project shall be conclusive if set
14 forth in the proceedings authorizing the fire district bonds.

15 H. Law enforcement protection revenue bonds may be
16 issued for the repair and purchase of law enforcement apparatus
17 and equipment that meet nationally recognized standards. The
18 municipality may pledge irrevocably any or all of the revenues
19 received by the municipality from the law enforcement
20 protection fund distributions pursuant to the Law Enforcement
21 Protection Fund Act to the payment of the interest on and
22 principal of the law enforcement protection revenue bonds.

23 I. Economic development gross receipts tax revenue
24 bonds may be issued for the purpose of furthering economic
25 development projects as defined in the Local Economic

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1 Development Act. The municipality may pledge irrevocably any
2 or all of the revenue received from the municipal
3 infrastructure gross receipts tax to the payment of the
4 interest on and principal of the economic development gross
5 receipts tax revenue bonds for any of the purposes authorized
6 in this subsection. A law that imposes or authorizes the
7 imposition of a municipal infrastructure gross receipts tax or
8 that affects the municipal infrastructure gross receipts tax,
9 or a law supplemental to or otherwise pertaining to the tax,
10 shall not be repealed or amended or otherwise directly or
11 indirectly modified in such a manner as to impair adversely any
12 outstanding revenue bonds that may be secured by a pledge of
13 the municipal infrastructure gross receipts tax unless the
14 outstanding revenue bonds have been discharged in full or
15 provision has been fully made for their discharge. As used in
16 Chapter 3, Article 31 NMSA 1978, "economic development gross
17 receipts tax revenue bonds" means the bonds authorized in this
18 subsection, and "municipal infrastructure gross receipts tax
19 revenue" means any or all of the revenue from the municipal
20 infrastructure gross receipts tax transferred to the
21 municipality pursuant to Section 7-1-6.12 NMSA 1978.

22 J. Municipal higher education facilities gross
23 receipts tax revenue bonds may be issued for the purpose of
24 acquisition, construction, renovation or improvement of
25 facilities of a four-year post-secondary public educational

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1 institution located in the municipality and acquisition of or
2 improvements to land for those facilities. The municipality
3 may pledge irrevocably any or all of the revenue received from
4 the municipal higher education facilities gross receipts tax to
5 the payment of the interest on and principal of the municipal
6 higher education facilities gross receipts tax revenue bonds.
7 A law that imposes or authorizes the imposition of a municipal
8 higher education facilities gross receipts tax or that affects
9 the municipal higher education facilities gross receipts tax,
10 or a law supplemental to or otherwise pertaining to the tax,
11 shall not be repealed or amended or otherwise directly or
12 indirectly modified in such a manner as to impair adversely any
13 outstanding revenue bonds that may be secured by a pledge of
14 the municipal higher education facilities gross receipts tax
15 unless the outstanding revenue bonds have been discharged in
16 full or provision has been fully made for their discharge. As
17 used in Chapter 3, Article 31 NMSA 1978, "municipal higher
18 education facilities gross receipts tax revenue bonds" means
19 the bonds authorized in this subsection and "municipal higher
20 education facilities gross receipts tax revenue" means any or
21 all of the revenue from the municipal higher education
22 facilities gross receipts tax transferred to the municipality
23 pursuant to Section 7-1-6.12 NMSA 1978.

24 K. A municipality may issue revenue bonds that may
25 be referred to as "hospitality liquor excise tax revenue bonds"

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1 for the purpose of funding capital outlay projects for economic
2 development infrastructure or public facilities. The projects
3 shall be identified by the governing body of a municipality
4 pursuant to the provisions of the Local Option Hospitality
5 Liquor Excise Tax Act and approved by the voters pursuant to
6 that act. The proceeds from the revenue bonds may be used to
7 plan, design or construct public infrastructure or to plan,
8 design, construct, equip or furnish a public facility for
9 economic development purposes. The municipality may pledge
10 irrevocably up to seventy-five percent of hospitality liquor
11 excise tax revenue from the imposition of a hospitality liquor
12 excise tax imposed pursuant to the Local Option Hospitality
13 Liquor Excise Tax Act to the payment of costs of issuing,
14 payment of principal and of interest on the hospitality liquor
15 excise tax revenue bonds or refunding bonds. A law that
16 imposes or authorizes the imposition of a hospitality liquor
17 excise tax or that affects the hospitality liquor excise tax,
18 or a law supplemental to or otherwise pertaining to the tax,
19 shall not be repealed or amended or otherwise directly or
20 indirectly modified in such a manner as to impair adversely any
21 outstanding revenue bonds that may be secured by a pledge of
22 the hospitality liquor excise tax revenue unless the
23 outstanding revenue bonds have been discharged in full or
24 provision has been fully made for their discharge. As used in
25 Chapter 3, Article 31 NMSA 1978:

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1 (1) "hospitality liquor excise tax revenue"
2 means any or all of the revenue from a hospitality liquor
3 excise tax imposed pursuant to the Local Option Hospitality
4 Liquor Excise Tax Act by a municipality; and

5 (2) "municipality" means an incorporated
6 municipality with a population of less than fifteen thousand
7 based on the 2000 federal decennial census or any federal
8 decennial census occurring after that year.

9 [~~K-~~] L. Except for the purpose of refunding
10 previous revenue bond issues, no municipality may sell revenue
11 bonds payable from pledged revenues after the expiration of two
12 years from the date of the ordinance authorizing the issuance
13 of the bonds or, for bonds to be issued and sold to the New
14 Mexico finance authority as authorized in Subsection C of
15 Section 3-31-4 NMSA 1978, after the expiration of two years
16 from the date of the resolution authorizing the issuance of the
17 bonds. However, any period of time during which a particular
18 revenue bond issue is in litigation shall not be counted in
19 determining the expiration date of that issue."

20 Section 12. A new section of the Tax Administration Act
21 is enacted to read:

22 "[NEW MATERIAL] DISTRIBUTION--HOSPITALITY LIQUOR EXCISE
23 TAX.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
24 shall be made to a municipality that has imposed a hospitality
25 liquor excise tax pursuant to the Local Option Hospitality

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1 Liquor Excise Tax Act in an amount equal to the net revenue
2 from the hospitality liquor excise tax revenue remitted to the
3 department from that municipality."

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